



## **United States Mission to the OSCE**

### **Response to Report by the OSCE External Auditor of the Audit Report on the 2006 Financial Statements**

As delivered by Chargé d' Affaires Kyle Scott,  
to the Permanent Council, Vienna  
July 5, 2007

Thank you, Mr. Chairman.

The United States would like to thank the representatives of the Office of the Auditor General of Norway for their audit opinion on the fairness and accuracy of the OSCE's annual consolidated financial statements for the year 2006. We very much appreciate the hard work and due diligence you have put into this endeavor.

We are pleased with the unqualified opinion, and note with great interest your audit findings. We are also pleased that the Secretariat has accepted all of the resulting eight recommendations. We urge the Secretariat to implement these recommendations as quickly as possible, and stand ready to assist where input from participating States is required.

As one of the largest donors of extra-budgetary contributions, we are particularly interested in the recommendations concerning the handling of these funds. We continue to insist that donor discretion should be the guiding principle concerning all questions related to the handling of these funds. The Secretariat should not be at liberty to use its own discretion concerning these funds unless it is truly impossible to determine the original source of the funds in question.

The United States again reiterates its call for a quick conclusion to the task of revising the Financial Regulations. Not only is this a mandate from the Ministerial Council, but it also just makes good management sense. We call on all participating States to engage on this issue now.

Thank you, Mr. Chairman.